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DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

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Inspection Report

Minerals Regulatory Program

Report Date November 16, 2005

Supervisor

1027

Mine Name: Tony M
Operator Name: U. S. Energy

Permit number: M/017/001
Inspection Date: September 13, 2005
Time: 8:30 AM to 12:30 PM

Inspector(s): Paul Baker

Other Participants: Buzz Rakow (Hanksville BLM); Tenille Flint and Craig Clement (Maxim Technologies representing International Uranium); Fred Craft (U. S. Energy)

Mine Status: Reclaimed

Weather: Clear, 70's

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Revegetation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

International Uranium has proposed opening two portals. This is a permitted site, and we wanted to see if there would be any concerns with having this exploration activity. We also wanted to look at the reclamation in general, see how vegetation was progressing, and look for any problems that might need to be corrected.

Inspection Summary:

1. Permits, Revisions, Transfer, Bonds

International Uranium has submitted a Notice of Intention to Conduct Exploration on a portion of this area. A road would be built across the top portion of the main waste pile, and they would open the portals so they could collect water samples. The Division has accepted this proposal with certain conditions pertaining to damage that might be done to adjacent reclaimed areas that would still be the responsibility of U. S. Energy. When this exploration notice is approved, the Division intends to release U. S. Energy from further reclamation requirements in the exploration areas. International Uranium has not yet submitted a reclamation surety, so the Division has not issued final approval.

2. Public Safety (shafts, adits, trash, signs, highwalls)

The portal area is shown in Photos 4 and 6. The material used to backfill the portals has settled a little, and although the top of the portal can be seen (Photo 6), there is no opening into the mine. The operator backfilled the openings about 50 feet back into the mine.

We looked at two or three of the vent hole sites, and there were no signs that the caps were failing.

3. Protection of Drainages / Erosion Control

There is a drainage to the west of the portals where the operator has had some erosion problems in the past (Photo 7). According to Mr. Craft, the area had had some significant rain during the past summer, yet this channel appeared to be stable.

10. Revegetation

In most areas, the vegetation is progressing well. The exceptions are the channel coming from the breached dam (Photo 9), the impoundment area itself (Photo 10), and a few of the waste and low grade ore piles (Photo 2). The bottom of the impoundment is mostly clay, and since the surrounding clay hills have little vegetation, it is not surprising that there is nothing growing in this area. Likewise, much of the bottom of the outlet channel has a lot of clay, but since halogeton is growing in this area, I would expect a few other species might be able to survive.

Mr. Craft indicated U. S. Energy will probably be processing the piles of low grade ore, so, if this happens, the lack of vegetation in these areas is not a concern. Areas under these piles will need to be revegetated if the piles are processed.

There is a lot of native volunteer vegetation growing in some areas. Locoweed (*Astragalus falcatus*) is particularly prominent (Photo 1). There are a lot of grass seedlings (Indian ricegrass) and some fourwing saltbush and shadscale. There is some Russian thistle but not too much. The biggest weed problem is probably cheatgrass in the topsoiled areas at the base of the main waste pile by the portals.

Vegetation is doing phenomenally well at the vent holes and the access roads (Photo 8). Some of these areas are indistinguishable from the surrounding undisturbed areas.

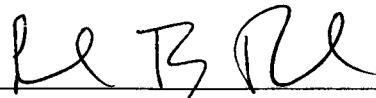
Conclusions and Recommendations:

I have no recommendations for remedial action that needs to be done. For the most part, vegetation is progressing well. Next year will be the third growing season since the site was reclaimed, and although the vegetation is coming along, it might take an extra growing season before it meets release criteria.

If the operator reprocesses low grade ore, the areas under these ore piles will need to be revegetated which could prolong the time before the site can be completely released.

International Uranium will need to be careful in how exploration is done so the adjacent reclaimed areas are affected as little as possible.

Inspector's Signature



Date:

9/28/06

PBB:jb

cc: Fred Craft, U. S. Energy
Buzz Rakow, Hanksville BLM
Harold Roberts, International Uranium
Attachment: Photos

ATTACHMENT Photographs

M/017/001, Tony M Mine, U. S. Energy
Inspection Dated: September 13, 2005; Report Dated: November 16, 2005



Photo 1. Volunteer locoweed. The grass seedlings are too small to see in this photo. This is one of the ore piles.



Photo 2. This is a waste pile where most of the vegetation is Russian thistle.



Photo 3. The topsoiled area at the base of the main waste pile. There is a lot of cheatgrass in this area, but there is also a lot of fourwing saltbush.



Photo 4. This shows the backfill material and the pad in front of the portals.

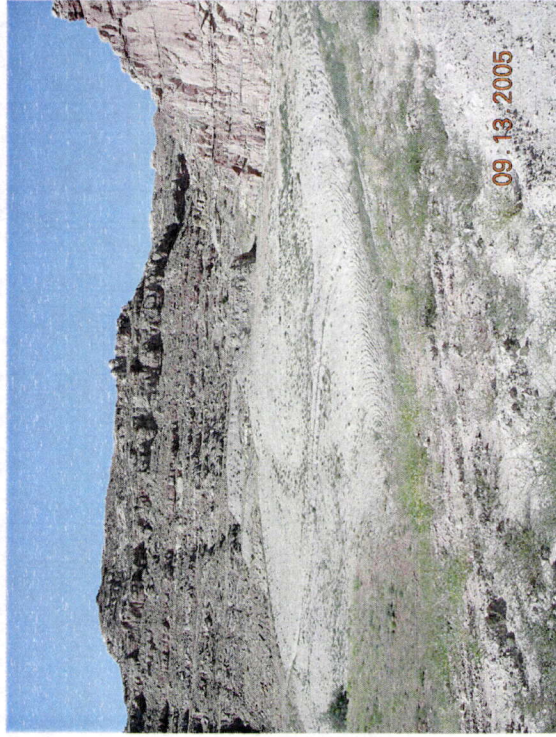


Photo 5. An overview of the main waste pile near the portals.



Photo 6. Looking toward one of the portals from the top of the backfill material.



Photo 7. A drainage channel west of the portals.

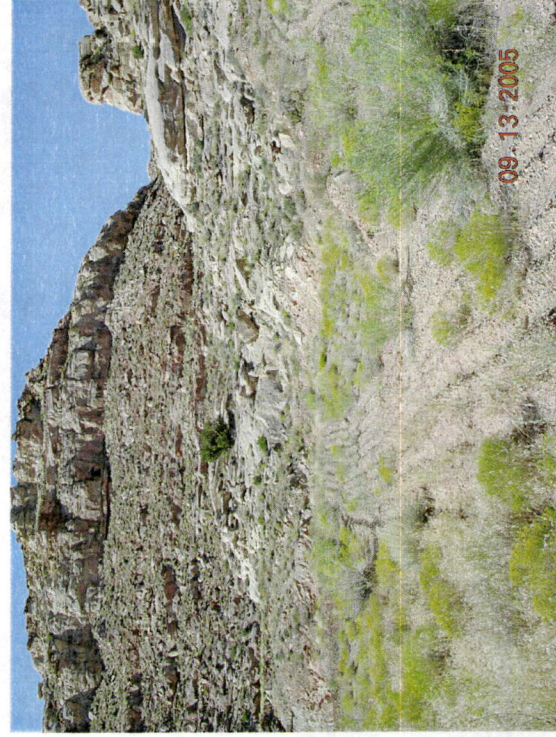


Photo 8. A vent hole access road.

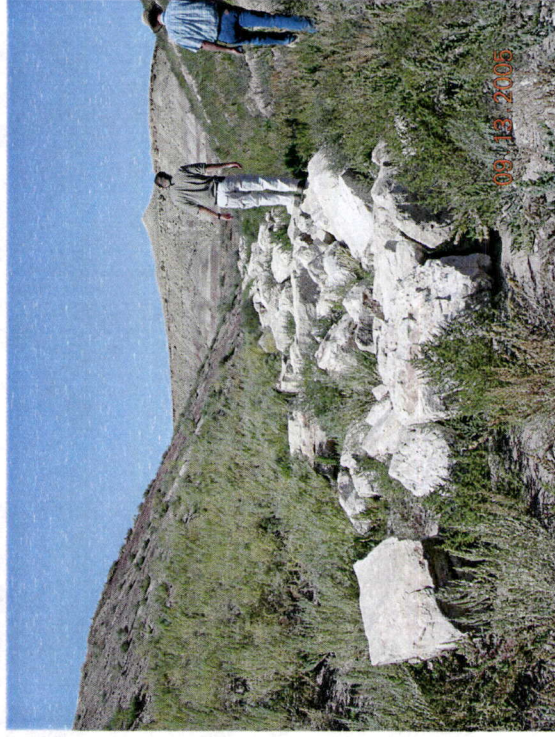


Photo 9. The channel coming out of the breached pond. Most of the vegetation is halogeton.

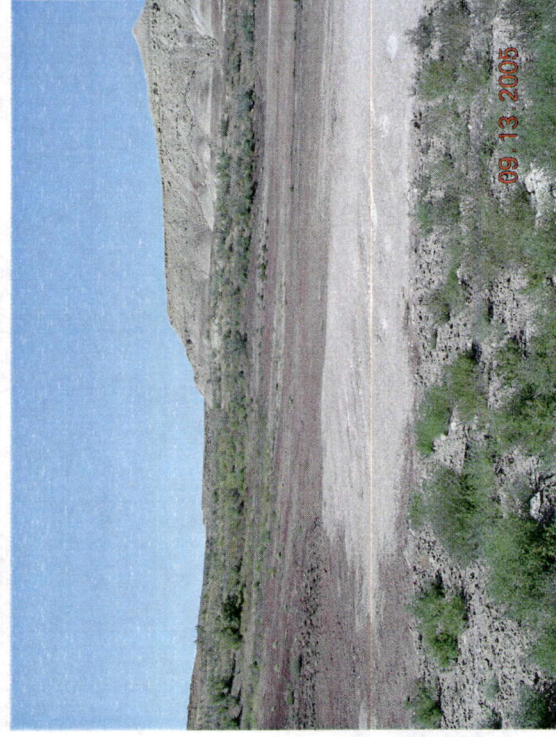


Photo 10. The pond area.